

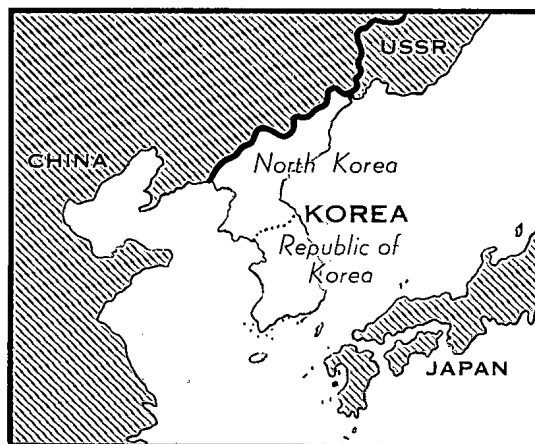
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NIE 14.2/42-61 ADVCON  
7 September 1961

*NATIONAL INTELLIGENCE ESTIMATE*

THE OUTLOOK FOR KOREA

NOTE: This is an advance copy of the conclusions of this estimate as approved by the United States Intelligence Board. The complete text will be circulated within five days of this issuance.



- North Korea impact on South Korea
- Problems and aspects for South Korea

Central Intelligence Agency

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*Submitted by the*

**DIRECTOR OF CENTRAL INTELLIGENCE**

*The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.*

*Concurred in by the*

**UNITED STATES INTELLIGENCE BOARD**

*on 7 September 1961. Concurring were the Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations (Intelligence), Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.*

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C E N T R A L   I N T E L L I G E N C E   A G E N C Y

7 September 1961

SUBJECT: NIE 14.2/42-61: THE OUTLOOK FOR KOREA

THE PROBLEM

To estimate the major trends and prospects in South Korea, with particular attention to the impact of North Korea on the south over the next two or three years.

CONCLUSIONS

1. In its push to unify Korea under Communist control, the North Korean regime will continue to depend primarily on subversive tactics and propaganda appealing to nationalistic sentiments and stressing the economic benefits of unification. Although these efforts have had little effect, the Communists probably believe their longer term prospects for a favorable response to its unification appeals are good and improving. In view of this and the automatic involvement of US forces in any resumption of hostilities in Korea, we believe the Communists are not likely to assume

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the grave risks of armed action against South Korea over the next several years. (Paras. 12-25, 50-53)

2. The greatest threat to South Korea at least in the near term, comes from within South Korea. The country lacks a sense of national purpose and faces both tremendous economic problems and a brittle political situation. The military junta seeks to provide the drive and stability which was lacking in the previous civilian government but is subject to internal factionalism and lacks general public support in confronting these enormous problems. (Paras. 28-38, 54)

3. The prospect for South Korea over the next few years is therefore very cloudy and uncertain. US aid will probably succeed in preventing economic collapse. However, even under the most favorable circumstances, progress will be slow and South Korea will continue to require large-scale foreign aid for the indefinite future if it is to remain an independent nation allied with the West. (Paras. 39-42, 55)

4. The political situation is subject to sudden and rapid change. Much depends on future actions of the junta, in particular, on its capacity to establish a sense of forward momentum among the Korean people. If the overall situation in South Korea

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fails to improve significantly and the people lose hope for national progress, the continued enticements offered by the North Korean regime could lead to some movement in the south toward an accommodation with the north. (Paras. 32-33, 56)

- 3 -

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